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WASHINGTON, D.C.

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
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20036

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December 23, 2011

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Lease Assignment, dated as of December 23, 2011, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: ALF P-III, Inc.  
c/o RESIDCO  
70 West Madison Street, Suite 2340  
Chicago, Illinois 60606

Lender: Wells Fargo Equipment Finance, Inc.  
733 Marquette Avenue South, Suite 700  
Minneapolis, Minnesota 55402

Section Chief  
December 23, 2011  
Page 2

A description of the railroad equipment covered by the enclosed document is.

144 railcars within the series OFOX 301037 – OFOX 301292 as more particularly set forth in the attachment to the document

A short summary of the document to appear in the index is.

Memorandum of Security Agreement and Lease Assignment

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Edward M. Luria

EML/sem  
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT, dated as of December 23, 2011, by and between ALF P-III, INC., an Illinois corporation ("Borrower"), and WELLS FARGO EQUIPMENT FINANCE, INC. ("Lender").

1. Lender has made a loan to Borrower pursuant to a Loan and Security Agreement dated as of the date hereof (as amended from time to time, the "Security Agreement").

2. Pursuant to the Security Agreement, Borrower grants to Lender a security interest in and assignment of all of Borrower's right, title and interest in, to and under (but none of its obligations with respect to), whether now owned or hereafter acquired:

(i) one hundred and forty four (144) 2006 FreightCar America built Bethgon IIs aluminum coal gondolas, as further described in Annex A hereto (all such railcars collectively, the "Railcars"), and all replacements and substitutions therefor and accessions thereto;

(ii) that certain Car Leasing Agreement dated as of August 9, 2011, together with (x) any and all other exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, and (y) any other lease agreement from time to time entered into between Borrower and any lessee thereunder with respect to the Railcars, together with all related exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto) with respect to the Railcars, together with all related exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, are referred to herein, collectively, the "Lease", and the related lease documents;

(iii) any and all rent, casualty, indemnity and other payments due under the Lease and the related lease documents (other than any amounts payable to Borrower for its own account pursuant to any indemnity provisions in the Lease or related lease documents or any insurance proceeds payable under any public liability policies maintained by Lessee under the Lease that by their terms are payable directly to Borrower for its own account);

(iv) all of Borrower's rights and entitlements under the Lease and related lease documents, including, among other things, the right to receive notices and financial information, to give or withhold consents or waivers, to declare or waive any default and/or exercise all remedies thereunder and to take any and all other actions associated with the Lease and the related lease documents or the Railcars;

(v) all related accounts, chattel paper, guaranties, security deposits, collateral pledges, supporting obligations, deposit accounts and general intangibles; and

(vi) all proceeds of the foregoing.

3. This Memorandum of Security Agreement and Lease Assignment may be executed in any number of counterparts, each of which shall be an original, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement and Lease Assignment to be executed by its duly authorized officer as of the date first above written.

ALF P-III, INC.  
as Borrower

By: [Signature]  
Name: Vincent A. Kolber  
Title: President

COUNTY OF Cook )  
STATE OF Illinois )

to wit:

I hereby certify that on this 22 day of December, 2011, before me, personally appeared Vincent A. Kolber, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the President of ALF P-III, INC., an Illinois corporation, and acknowledged that s/he, as such President, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of ALF P-III, INC. by himself/herself as President.



[Signature]  
Notary Public

WELLS FARGO EQUIPMENT FINANCE, INC.  
as Lender

By: [Signature]  
Name: Jacqueline P. Barragan  
Title: Vice President  
Loan Administration Manager

COUNTY OF Hennepin )  
STATE OF Minnesota ) to wit:

I hereby certify that on this 22<sup>nd</sup> day of December, 2011, before me, personally appeared Jacqueline Barragan, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the VP, Loan Admin Manager of Wells Fargo Equipment Finance, Inc., and acknowledged that s/he, as such VP, Loan Admin Manager, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of Wells Fargo Equipment Finance, Inc. by himself/herself as VP, Loan Admin Manager.

[Signature]  
Notary Public



## EXHIBIT A

### DESCRIPTION OF LEASE

Car Leasing Agreement, dated as of August 9, 2011, between ALF P-III, Inc., as lessor, and and Sandy Creek Energy Associates, L.P , Brazos Sandy Creek Electric Cooperative, Inc. and Lower Colorado River Authority, as lessees.

One-hundred forty-four (144) railcars, bearing the following road marks and numbers:

1	OFOX	301038
2	OFOX	301039
3	OFOX	301040
4	OFOX	301041
5	OFOX	301042
6	OFOX	301037
7	OFOX	301071
8	OFOX	301096
9	OFOX	301114
10	OFOX	301118
11	OFOX	301123
12	OFOX	301125
13	OFOX	301126
14	OFOX	301127
15	OFOX	301128
16	OFOX	301129
17	OFOX	301130
18	OFOX	301141
19	OFOX	301151
20	OFOX	301155
21	OFOX	301156
22	OFOX	301157
23	OFOX	301158
24	OFOX	301159
25	OFOX	301160
26	OFOX	301162
27	OFOX	301163
28	OFOX	301164
29	OFOX	301165
30	OFOX	301166
31	OFOX	301167

32	OFOX	301168
33	OFOX	301169
34	OFOX	301170
35	OFOX	301171
36	OFOX	301172
37	OFOX	301174
38	OFOX	301175
39	OFOX	301176
40	OFOX	301177
41	OFOX	301178
42	OFOX	301179
43	OFOX	301180
44	OFOX	301181
45	OFOX	301182
46	OFOX	301183
47	OFOX	301184
48	OFOX	301185
49	OFOX	301186
50	OFOX	301187
51	OFOX	301188
52	OFOX	301189
53	OFOX	301190
54	OFOX	301191
55	OFOX	301192
56	OFOX	301193
57	OFOX	301194
58	OFOX	301195
59	OFOX	301196
60	OFOX	301197
61	OFOX	301198
62	OFOX	301199

63	OFOX	301200
64	OFOX	301201
65	OFOX	301202
66	OFOX	301203
67	OFOX	301204
68	OFOX	301205
69	OFOX	301206
70	OFOX	301207
71	OFOX	301208
72	OFOX	301209
73	OFOX	301210
74	OFOX	301212
75	OFOX	301213
76	OFOX	301215
77	OFOX	301217
78	OFOX	301218
79	OFOX	301219
80	OFOX	301220
81	OFOX	301221
82	OFOX	301222
83	OFOX	301224
84	OFOX	301225
85	OFOX	301226
86	OFOX	301227
87	OFOX	301229
88	OFOX	301230
89	OFOX	301231
90	OFOX	301232
91	OFOX	301233
92	OFOX	301234
93	OFOX	301235
94	OFOX	301236
95	OFOX	301237
96	OFOX	301238
97	OFOX	301239
98	OFOX	301240
99	OFOX	301241
100	OFOX	301242
101	OFOX	301243
102	OFOX	301244
103	OFOX	301245

104	OFOX	301247
105	OFOX	301248
106	OFOX	301249
107	OFOX	301250
108	OFOX	301252
109	OFOX	301254
110	OFOX	301255
111	OFOX	301256
112	OFOX	301257
113	OFOX	301258
114	OFOX	301259
115	OFOX	301260
116	OFOX	301261
117	OFOX	301262
118	OFOX	301263
119	OFOX	301264
120	OFOX	301265
121	OFOX	301266
122	OFOX	301267
123	OFOX	301268
124	OFOX	301269
125	OFOX	301270
126	OFOX	301271
127	OFOX	301272
128	OFOX	301273
129	OFOX	301274
130	OFOX	301275
131	OFOX	301276
132	OFOX	301277
133	OFOX	301278
134	OFOX	301279
135	OFOX	301280
136	OFOX	301281
137	OFOX	301282
138	OFOX	301283
139	OFOX	301284
140	OFOX	301286
141	OFOX	301287
142	OFOX	301288
143	OFOX	301291
144	OFOX	301292

**CERTIFICATION**

I, Edward M Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated. 12/23/11

Edward M Luria  
Edward M. Luria